

December 21, 2004

Gary M. Jackson  
Assistant Administrator for Size Standards  
Small Business Administration  
409 Third Street, S.W.  
Washington, DC 20416

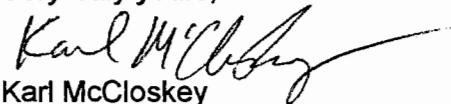
Dear Mr. Jackson:

We strongly oppose an exclusion from affiliation for venture capital companies in determining small business eligibility in the Small Business Innovative Research (SBIR) program.

This would allow companies that are owned by large venture capital companies to access SBIR funds. Many of the venture funds are funded by large entities with direct or indirect access to public financing. It would be a subterfuge; it would be false and misleading to consider these large venture funds as small businesses.

Further, it would discriminate against communities that do not have local venture capitalists or access to venture capital.

Very truly yours,

  
Karl McCloskey

xc: ~~John Gornyn~~  
U.S. Senator  
517 Hart Senate Office Building  
Washington, DC 20510

Kay Bailey Hutchison  
U.S. Senator  
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